



## MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

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Ms. Tracie Billington  
California Department of Water Resources  
Division of Planning and Local Assistance  
P.O. Box 942836  
Sacramento, CA 94236-0001

September 29, 2005

Ms. Shahla Farahnak  
California State Water Resources Control Board  
Division of Financial Assistance  
1001 I Street, 16th Floor  
Sacramento, CA 95814

**SUBJECT:** Comments on Proposed Funding of Proposition 50 Planning Grant Proposals

Dear Ms. Billington and Ms. Farahnak:

The Monterey Peninsula Water Management District (MPWMD) would like to commend the Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) staffs for providing local agencies the opportunity to receive feedback on their Prop. 50 Integrated Regional Water Management (IRWM) Planning Grant application evaluations and offer our comments at the public meeting held in Sacramento on September 23, 2005 to announce preliminary funding recommendations. On behalf of the stakeholders in this Region, we also thank the DWR and SWRCB staff members who worked diligently on evaluating proposals submitted for Planning Grants.

Before you finalize your evaluations and funding proposal, MPWMD, which has a proposal that scored very close to the proposed funding cut-off, asks that you consider the following general comments.

### Actual vs. Planned Expenditures

The nature of developing an IRWM Plan involves investigations into various management strategies that may lead to efforts that are quite different than what is initially proposed. MPWMD encourages DWR and SWRCB staff to look closely at Planning Grant proposals selected for grant award offers to ensure that the grant amount does not exceed IRWM Plan tasks eligible for funding. In addition, proposals involving a nearly complete IRWM Plan may not require as much funds as initially requested. In either case, a final review prior to grant award could reveal that some tasks are not

necessary or have been completed, thus freeing up funds to allocate to entities that missed the scoring cut-off.

#### Potential for Additional Planning Grant Funds

MPWMD agrees with the many other agency representatives who spoke in favor of SWRCB and DWR making additional Prop. 50 funds available for Planning Grants. We believe it is significant that this recommendation was made by all the applicants who spoke to this question at the public meeting, including those that were recommended for funding, with no dissent expressed. We encourage DWR and SWRCB to consider immediately funding those proposals that are not currently proposed for funding in the first round and to set aside contingency funds for Step 1 Implementation Grant applicants whose IRWM Plans do not meet DWR and SWRCB standards.

MPWMD is concerned that delaying additional funding for Planning Grants until after the Step 1 Implementation Grant proposals are evaluated will delay the timely development and adoption of IRWM Plans by December 31, 2006. Delays in making additional funds available could result in inadequate and/or incomplete IRWM plans and place applicants at a disadvantage in future Implementation Grant cycles.

In addition to the general comments expressed above, MPWMD would like DWR and SWRCB staff to consider the following specific concerns regarding evaluation of the MPWMD-sponsored proposal:

#### Timing of Grant Fund Cycles

At the September 23 meeting, MPWMD and several other agencies expressed concern about the challenges and complexity of organizing large stakeholder groups within the amount of time given to develop a Planning Grant proposal. In early 2005 MPWMD learned of the Prop 50 Planning Grant opportunity and organized 21 stakeholders in the Region. These stakeholders include water and wastewater agencies, cities, and non-profit conservation groups, some of which represent additional organizations. Because MPWMD saw the need and importance of moving forward with a consensus approach, all participants were informed about integrating their resource management efforts and focusing on the process of developing and implementing a cohesive plan. The importance of meeting this consensus objective required an extraordinary effort, which left precious little time to complete the planning grant application. Thus, some details of our accomplishments, commitments and outcomes of our IRWM Plan stakeholder meetings didn't get documented in our planning grant application.

#### Consideration of Key Issues in this Region

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As described in the Planning Grant proposal, this Region is unique in its water resources challenges. This Region faces three major State-ordered mandates regarding water resource management, including: 1) draft Cease-and-Desist Orders from Regional Water Quality Control Board, Region 3, concerning cessation of stormwater discharges from coastal areas into two local areas of biological significance; 2) an order from the Division of Safety of Dams to retrofit a main stem dam built in 1921 on the Carmel River to meet current seismic and flood standards; and 3) SWRCB Order No. WR 95-10, which ordered a 20% cutback in water use in this Region. In the long-term, this order requires replacement of nearly 70% of the potable water supply being taken from Carmel Valley.

We know of no other area in California facing a similar set of orders. These are daunting and very expensive problems for MPWMD and its IRWM Plan stakeholders to resolve, all of which lack financial resources to effectively integrate strategies to overcome these formidable challenges and guarantee a quality IRWM planning effort. These State mandates warrant special consideration to Monterey Peninsula's situation in Prop. 50 Planning Grant decision-making.

Attached are the DWR and SWRCB evaluation of the MPWMD proposal and additional documentation on the accomplishments, commitments and outcomes associated with developing our Planning Grant proposal that respond to State evaluation comments on our application. We hope you will consider this information in making final recommendations about funding the MPWMD proposal.

If you have questions or comments about this letter, please contact me at (831) 658-5650 or Larry Hampson at (831) 659-2543.

Sincerely,

David A. Berger  
General Manager

Attachments: DWR and SWRCB Proposal Evaluation  
MPWMD Responses to DWR and SWRCB Proposal Evaluation